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# Housing Options for Older Adults

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DEPOSITORY



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on Aging

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There are many housing options available to seniors. Some options are designed to help an older person remain in his or her own home, allowing that person to “age-in-place.” Other options are designed to provide supportive services to residents in a multi-unit setting.

Whatever your housing needs, it is important to keep in mind the following before you choose any new living arrangement:

**Plan ahead.** Too often housing decisions are made in response to a crisis. You will have the opportunity to make a wiser decision if you are not under constraints.

**Thoroughly research** any prospective change.

**Evaluate your finances.** Remember, the more services you require, the more it will cost.

**Discuss the options** with your family/friends. Together, try to determine your present needs and try to anticipate what your needs may be in the future.

# Remaining in one's own home



## Home Equity Conversion:

- **Reverse Annuity Mortgages** are financial plans designed to enable older homeowners to receive cash for the equity in their homes while they continue to own and occupy them. Money is received in monthly payments or in lump-sum loans. The money is repaid when the home is sold.

- **Sale Leaseback** is when the home is sold to a third party (often the adult child of the homeowner) who immediately leases it back to the seller (older homeowner) under an agreement of life tenancy. **[NOTE:** Both of these plans are new, and they are often complicated arrangements. In fact, in many places, financial institutions are not yet ready to offer these plans. Anyone considering Home Equity Conversion should discuss their intentions thoroughly with trusted advisors who are knowledgeable about these programs.]



**Home Energy Assistance:** The Illinois Residential Energy Assistance Partnership Program (REAPP) provides monetary assistance to low-income

customers of utility companies who meet the Public Aid income eligibility guidelines. Older persons with an income below the federal poverty level may be eligible for the 12 percent component of this program. Participants pay 12 percent of their income for winter energy bills.



**Home Maintenance and Repair Programs:** These are programs designed to assist older persons to remain in their own homes or apart-

ments by making repairs to the home at little or no cost to the residents. "Repairs" can include yard work, painting, electrical or plumbing repairs, cement repairs, repairs to steps or porches and/or the addition of adaptive devices for persons with disabilities. Some of these programs are supported by federal subsidies; others are private initiatives.

**Weatherization Repairs Program** is similar to the Home Maintenance and Repair Program, although repairs focus on storm windows and doors, insulation, heating units and weatherstripping.



### **Tax Rebates:**

- **Circuit Breaker** is a program that pays money back to income-qualified seniors and persons with disabilities for part of the property and various other taxes they have paid. Assistance with the cost of certain pharmaceuticals is also available. The program is open to homeowners and renters.
- **Homestead Exemption** is a tax break for homeowners 65 years and older. It reduces the equalized assessed valuation of an eligible residence.
- **Homeowners Exemption** is a program that eliminates up to \$3,500 of the increase in a home's taxable value (equalized value) over what it was in 1977. There is no age requirement for this exemption.
- **Real Estate Tax Deferral** is a state tax relief program allowing low-income homeowners to defer all or part of the property taxes on their residence until it is sold.
- **Sewer Tax Rebate** is offered to seniors in some cities.

## Small-scale, Multi-resident Options



**Accessory Apartments:** A second, completely private living unit built within the basic frame of an existing single-family dwelling ("in-law apartment").

### **ECHO Housing/Granny Flats:**

A self-contained, free-standing and temporary living unit occupied by a relative on the property of an adjacent single family dwelling. Typically used for an aging relative and then removed when the need for proximity to the family is ended.

**Shared Housing:** A living arrangement where two or more unrelated people share a house or apartment to their mutual advantage. Each person has a private room and shares common living areas. There are two types of shared housing:

- **Match-Up** involves a homeowner sharing his or her residence with a home-seeker who pays rent. Many matches are intergenerational and/or entail the provision of services in exchange for a reduction in rent. Matching services are usually run by a county agency, social service agency or religious group that interviews both parties.
- **Group Shared Residences** involve a number of people living cooperatively in a single large dwelling. Most residences are sponsored by nonprofit organizations which frequently provide services such as cooking, laundry, housekeeping and maintenance.



# Large-scale, Multi-unit Options



## **Congregate Housing:**

Multi-unit rental housing, specifically designed, planned and managed to provide supportive services to its residents. It typically provides self-contained apartments or single rooms and supportive services and includes meals, housekeeping, transportation, social and recreational activities.

## **Continuing Care Retirement or Life**

**Care Communities:** Housing planned and operated to provide a continuum of accommodations for older adults including (but not limited to) independent living, congregate housing, assisted living and nursing home care. Services are contingent upon the level of functioning of the resident and the care he or she needs. Financial arrangements may include significant entrance and/or endowment fees, in addition to monthly charges. **(It is important to note the distinction between the two. A Life Care Community guarantees care for life; a Continuing Care Retirement Community does not.)**

**Cooperative Apartments:** Typically an independent apartment building where residents are part owners of the corporation controlling the building. Owners have part in the decision-making process and can affect the amenities of the building, including management and services.

## **Farmers Home Administration**

**(FmHA):** Provides financial assistance to eligible entities to construct apartment complexes in rural areas (towns with populations less than 10,000). Apartment complexes are designated either as family or as elderly (designed for those 62 or older, or

developmentally disabled) and are residential in nature. Rent is based on tenant's income.

**Federally Subsidized Housing:** Rental housing built privately or municipally and operated with financial assistance from the U.S. Department of Housing and Urban Development (HUD). Low-income residents pay 30 percent of their income for rent and HUD pays the difference. Management provides limited services, if at all, to the residents, who are required to be independent. Dwellings built under the Section 202 program provides rental units exclusively for seniors and persons with disabilities.

**Independent Senior Apartments:** Structures with self-contained living units for older adults who are able to care for themselves. Management may facilitate minimal access to community services and provide limited recreational services for voluntary use by residents. No medical services are provided.

**Municipally Owned/Subsidized Housing:** A building or program which allows for its low- or moderate-income residents to pay 25 percent to 30 percent of their incomes for rent. A municipally funded building or program is funded through bonds, taxes and other pools of money which guarantees that the market rent will be paid to the management.

**Retirement Communities (Villages):** Developments that typically offer home ownership and rental units specifically planned and designed for older persons. Supportive services are often available free of charge.

**Single Room Occupancy Hotels:** A property primarily providing single, furnished rooms for rent on a daily, weekly or monthly basis with no lease. Usually occupied by low-income individuals. Also known as transient hotels or SROs.

**Illinois Housing Development Authority (IHDA).** For information on other affordable housing programs, call IHDA's Office of Housing Coordination Services at 312/836-5383 or access IHDA's website at [www.ihda.org](http://www.ihda.org).

The definitions for this brochure were developed from the following resources:

Linda Hubbard, Ed., *Housing Options for Older Americans* (Washington, D.C., 1984, American Association of Retired Persons);

American Association of Retired Persons with the Federal Trade Commission, *Your Home Your Choice: A Work Book For Older People and Their Families*, (Washington, D.C., American Association of Retired Persons);

Audio-Visual Resource Center, Cornell University, "Housing Options for the Elderly" (Ithaca, N.Y.);

Shared Housing Resource Center, "What is Shared Housing?" (Philadelphia, PA).

For more information, call the

**Senior HelpLine:**

**1-800-252-8966**

(Voice and TTY)

Monday - Friday 8:30 am - 5:00 pm



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